

**NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/20/09

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
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NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008


Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, R. E. L. Breedlove, Jr., Executive Director of the Natchitoches Parish Port Commission, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Natchitoches Parish Port Commission at December 31, 2008 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Executive Director

Sworn to and subscribed before me, this 31st day of March, 2009.


NOTARY PUBLIC

E. Merlin Sguys
ID# 633769

HINES, JACKSON & HINES, L.L.C.

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INDEPENDENT AUDITORS' REPORT

Natchitoches Parish Port Commission
P.O. Box 2215
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Port Commission, Natchitoches, Louisiana, as of and for the year ended December 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Natchitoches Parish Port Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Port Commission as of December 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 31, 2009, on our consideration of the Natchitoches Parish Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 21, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Natchitoches Parish Port Commission's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended December 31, 2007, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated June 13, 2008, on the basic financial statements of the Natchitoches Parish Port Commission.

Hines, Jackson & Hines

Natchitoches, Louisiana
March 31, 2009

-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

The Management's Discussion and Analysis of the Natchitoches Parish Port Commission's financial performance presents a narrative overview and analysis of Natchitoches Parish Port Commission's financial activities for the year ended December 31, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Natchitoches Parish Port Commission's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The Natchitoches Parish Port Commission had cash of \$451,687 at December 31, 2008 which represents a decrease of \$17,711 from prior year end.
- 2) The Natchitoches Parish Port Commission had accounts receivable of \$152,420 at December 31, 2008 which represents an increase of \$100,306 from prior year end.
- 3) The Natchitoches Parish Port Commission had accounts payable and accruals of \$111,825 at December 31, 2008 which represents an increase of \$99,889 from prior year end.
- 4) The Natchitoches Parish Port Commission had total revenues of \$381,467 for the year ended December 31, 2008 which represents a decrease of \$422,179 from prior year.
- 5) The Natchitoches Parish Port Commission had charges for services of \$57,803 for the year ended December 31, 2008 which represents a decrease of \$17,328 from prior year.
- 6) The Natchitoches Parish Port Commission had rents and commissions of \$138,676 for the year ended December 31, 2008 which represents an increase of \$5,248 from prior year.
- 7) The Natchitoches Parish Port Commission had interest income of \$21,090 for the year ended December 31, 2008 which represents an increase of \$9,606 from prior year.
- 8) The Natchitoches Parish Port Commission had total operating expenses of \$689,010 for the year ended December 31, 2008 which represents an increase of \$111,903 from prior year.
- 9) The Natchitoches Parish Port Commission had capital asset purchases of \$81,237 for the year ended December 31, 2008 which represents a decrease of \$356,251 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Port Commission as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Natchitoches Parish Port Commission as a whole and present a longer-term view of the Commission's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them. You can think of the Commission's net assets, the difference between assets and liabilities, as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's activities as well as what remains for future spending.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 608,057	\$ 525,902
Capital assets, net	<u>11,778,261</u>	<u>12,068,070</u>
Total Assets	<u>\$ 12,386,318</u>	<u>\$ 12,593,972</u>
Other liabilities	\$ 111,825	\$ 11,936
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	111,825	11,936
Net assets		
Investment in capital assets, net of related debt	11,778,261	12,068,070
Unrestricted	<u>496,232</u>	<u>513,966</u>
Total Net Assets	<u>12,274,493</u>	<u>12,582,036</u>
Total Liabilities and Net Assets	<u>\$ 12,386,318</u>	<u>\$ 12,593,972</u>

Net assets of the Natchitoches Parish Port Commission's decreased by \$307,543 or 2.44% from the previous fiscal year. The decrease is the result of expenses exceeding operating and nonoperating revenues during the fiscal year ended 2008 (See table below).

Statement of Activities
For the Year Ended

	<u>2008</u>	<u>2007</u>
General government		
Expenses	\$ (689,010)	\$ (577,107)
Program revenues		
Charges for services	57,803	75,131
Operating grants and contributions	142,500	40,000
Capital grants and contributions	<u>3,091</u>	<u>353,849</u>
Subtotal	(485,616)	(108,127)
General revenues	<u>178,073</u>	<u>334,666</u>
Change in net assets	<u>\$ (307,543)</u>	<u>\$ 226,539</u>

The Natchitoches Parish Port Commission's total revenues decreased by \$422,179 or 52.53% from the previous year. The total cost of all programs and services increased by \$111,903 or 19.39% from the previous year.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the Natchitoches Parish Port Commission had \$11,778,261, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$289,809 or 2.40% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2008</u>	<u>2007</u>
Land	\$ 398,726	\$ 398,726
Construction in progress	0	8,381
Site improvements	11,115,611	11,393,812
Buildings and building improvements	249,568	252,605
Furniture, fixtures and equipment	<u>14,356</u>	<u>14,546</u>
Total	<u>\$ 11,778,261</u>	<u>\$ 12,068,070</u>

This year's major additions included:

Site improvements	\$ 69,427
Buildings and building improvements	\$ 5,608
Furniture, fixtures and equipment	\$ 6,202

This years's major retirements included:

None.

Debt

The Natchitoches Parish Port Commission had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change, as shown in the table below.

Outstanding Debt at Year End

	<u>2008</u>	<u>2007</u>
Compensated absences payable	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2008

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$100,928 more than budgeted amounts due to intergovernmental revenue being more than expected.

Actual expenditures were \$108,236 more than budgeted amounts due to operating services being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Natchitoches Parish Port Commission's officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Charges for services
- 2) Intergovernmental revenues
- 3) Rents and commissions

The Natchitoches Parish Port Commission does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NATCHITOCHES PARISH PORT COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Parish Port Commission's finances and to show the Natchitoches Parish Port Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact R. E. L. Breedlove, Jr., Natchitoches Parish Port Commission, P.O. Box 2215, Natchitoches, Louisiana 71457.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2008 AND 2007

EXHIBIT A

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash	\$ 451,687	\$ 469,398
Accounts receivable	152,420	52,114
Prepaid expense	<u>3,950</u>	<u>4,390</u>
Total Current Assets	608,057	525,902
Noncurrent Assets		
Capital assets, net	<u>11,778,261</u>	<u>12,068,070</u>
Total Assets	<u>\$ 12,386,318</u>	<u>\$ 12,593,972</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 111,825	\$ 11,936
Total Current Liabilities	111,825	11,936
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	111,825	11,936
NET ASSETS		
Investment in capital assets, net of related debt	11,778,261	12,068,070
Unrestricted	<u>496,232</u>	<u>513,966</u>
Total Net Assets	<u>12,274,493</u>	<u>12,582,036</u>
Total Liabilities and Net Assets	<u>\$ 12,386,318</u>	<u>\$ 12,593,972</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
General Government					
Personal services	\$ 109,372	\$ 19,883	\$ 13,759	\$ 0	\$ (49,808)
Travel	10,289	1,870	1,294	0	(3,737)
Operating services	169,804	30,869	121,362	0	(29,105)
Supplies	0	0	0	0	(1,539)
Professional services	28,499	5,181	6,085	0	(11,316)
Depreciation	371,046	0	0	3,091	(12,622)
Total General Government	\$ 689,010	\$ 57,803	\$ 142,500	\$ 3,091	\$ (108,127)
General Revenues					
Rents and commissions					133,428
Franchise fees					12,033
Interest income					11,484
Lawsuit settlement					170,983
Miscellaneous					6,738
Total General Revenues					334,666
Change in Net Assets				(307,543)	226,539
Net Assets, Beginning of year				12,582,036	12,355,497
Net Assets, End of year				\$ 12,274,493	\$ 12,582,036

The accompanying notes are an integral part of this statement.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash		
Accounts receivable	\$ 451,687	\$ 469,398
Prepaid expense	152,420	52,114
	<u>3,950</u>	<u>4,390</u>
Total Assets	<u>\$ 608,057</u>	<u>\$ 525,902</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	\$ 111,825	\$ 11,936
Total Liabilities	<u>111,825</u>	<u>11,936</u>
FUND BALANCES		
Unreserved	<u>496,232</u>	<u>513,966</u>
Total Fund Balances	<u>496,232</u>	<u>513,966</u>
Total Liabilities and Fund Balances	<u>\$ 608,057</u>	<u>\$ 525,902</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Total Fund Balances for Governmental Funds (Exhibit C) \$ 496,232

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 398,726
Site improvements, net of \$2,571,356 in accumulated depreciation	11,115,611
Buildings and building improvements, net of \$16,729 in accumulated depreciation	249,568
Furniture, fixtures and equipment, net of \$36,109 in accumulated depreciation	<u>\$ 14,356</u>
Total Capital Assets	

11,778,261

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

Total Net Assets of Governmental Activities (Exhibit A)

0
\$ 12,274,493

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Charges for services	\$ 57,803	\$ 75,131
Intergovernmental	145,591	393,849
Rent and commissions	138,676	133,428
Franchise fees	11,449	12,033
Interest income	21,090	11,484
Lawsuit settlement	1,527	170,983
Miscellaneous	5,331	6,738
Total Revenues	<u>381,467</u>	<u>803,646</u>
EXPENDITURES		
General government		
Personal services	109,372	109,851
Travel	10,289	8,242
Operating services	169,804	64,191
Supplies	0	3,393
Professional services	28,499	24,959
Capital outlay	81,237	437,488
Total Expenditures	<u>399,201</u>	<u>648,124</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(17,734)	155,522
Fund Balance, Beginning of year	<u>513,966</u>	<u>358,444</u>
Fund Balance, End of year	<u>\$ 496,232</u>	<u>\$ 513,966</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (17,734)

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$371,046) exceeds capital outlay (\$81,237) in the current period. (289,809)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (307,543)

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

The Natchitoches Parish Port Commission was created by Act 1975 containing R. S. 34:3151 through 34:3157 of the Louisiana Legislature. The Commission serves all of Natchitoches Parish. The Commission shall regulate the commerce and traffic within the Port area in such a manner as may, in its judgement, be for the best interest of the State. One member of the Board is appointed by the Governor, two members by the Natchitoches Parish Police Jury and two members by the City of Natchitoches, Louisiana. The members serve six year terms.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Natchitoches Parish Port Commission present information only as to the transactions of the programs of the Natchitoches Parish Port Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Natchitoches Parish Port Commission are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Port Commission prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

The Natchitoches Parish Port Commission defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2008, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Port Commission are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for site improvements and buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Employees earn leave at various rates depending on the number of years in service. However, leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Parish Port Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2008 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 451,687	\$ 0	\$ 451,687
 Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
 Total Category 3 Bank Balances	\$ 0	\$ 0	\$ 0
 Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 458,131	\$ 0	\$ 458,131

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Peoples State Bank	\$ 458,131
Total	\$ 458,131

B. Investments

At December 31, 2008, the Natchitoches Parish Port Commission had investments of \$0.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2008:

<u>Class of Receivable</u>	
Charges for services	\$ 9,534
Rents and commissions	40,000
Franchise fees	2,697
Intergovernmental	100,000
Other	189
Total	<u>\$ 152,420</u>

NOTE 4 CAPITAL ASSETS

A summary of the Natchitoches Parish Port Commission's capital assets at December 31, 2008 follows:

	Balance December 31, 2007	Additions	Retirements	Balance December 31, 2008
Capital Assets, not being depreciated				
Land	\$ 398,726	\$ 0	\$ 0	\$ 398,726
Construction in progress	8,381	0	(8,381)	0
Total Capital Assets, not being depreciated	407,107	0	(8,381)	398,726
Capital Assets, being depreciated				
Site improvements	13,609,159	77,808	0	13,686,967
Less accumulated depreciation	(2,215,347)	(356,009)	0	(2,571,356)
Total Site Improvements	11,393,812	(278,201)	0	11,115,611
Buildings and other improvements	260,689	5,608	0	266,297
Less accumulated depreciation	(8,084)	(8,645)	0	(16,729)
Total Buildings and Building Improvements	252,605	(3,037)	0	249,568
Furniture, fixtures and equipment	44,263	6,202	0	50,465
Less accumulated depreciation	(29,717)	(6,392)	0	(36,109)
Total Furniture, Fixtures and Equipment	14,546	(190)	0	14,356
Total Capital Assets, being depreciated	11,660,963	(281,428)	0	11,379,535
Total Capital Assets, net	<u>\$ 12,068,070</u>	<u>\$ (281,428)</u>	<u>\$ (8,381)</u>	<u>\$ 11,778,261</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2008:

<u>Class of Payable</u>	
Vendor	\$ 2,634
Payroll taxes and retirement	7,191
Other	102,000
Total	<u>\$ 111,825</u>

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 6 RETIREMENT SYSTEM

Substantially all employees of the Natchitoches Parish Port Commission are members of the Parochial Employees' Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Natchitoches Parish Port Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of only the supplemental plan prior to January 1, 1980, the benefit is equal to one percent of their final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (504) 928-1361.

Plan members are required by state statute to contribute 9.50% of their annual covered salary and the Natchitoches Parish Port Commission is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. The contribution requirements for plan members and the Natchitoches Parish Port Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Natchitoches Parish Port Commission's contributions to the System for the years ended December 31, 2008, 2007 and 2006 were \$12,209, \$12,688 and \$7,994, respectively, equal to the required contributions for each year.

NOTE 7 LEASES

The Natchitoches Parish Port Commission was not obligated under any noncancellable capital or operating lease agreements at December 31, 2008.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 8 LITIGATION

The Natchitoches Parish Port Commission is a defendant in one two part lawsuit as of the close of business on December 31, 2008. The main part of the lawsuit was settled on January 30, 2009 for \$100,000. This amount was included in the Statement of Net Assets as a liability at December 31, 2008. Although the remaining portion of the lawsuit is not presently determinable, in the opinion of management and legal counsel of the Commission, resolution of this matter would not create a liability that would have a material adverse effect on the financial condition of the Natchitoches Parish Port Commission.

NOTE 9 COMPENSATION PAID TO BOARD MEMBERS

Board members of the Natchitoches Parish Port Commission receive no compensation for their services. As of December 31, 2008, the members of the Board were as follows:

Nettles Brown
Luke Frederick
Sam Fowler
Ralph Ingram, Jr.
Dan Simmons

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./((Unfav.))</u>
REVENUES				
Charges for services	\$ 60,000	\$ 55,600	\$ 57,803	\$ 2,203
Intergovernmental	1,113,000	46,100	145,591	99,491
Rents and commissions	199,160	141,060	138,676	(2,384)
Franchise fees	11,000	11,000	11,449	449
Interest income	7,000	21,000	21,090	90
Lawsuit settlement	0	0	1,527	1,527
Miscellaneous	3,500	5,779	5,331	(448)
Total Revenues	<u>1,393,660</u>	<u>280,539</u>	<u>381,467</u>	<u>100,928</u>
EXPENDITURES				
General government				
Personal services	109,360	109,860	109,372	488
Travel	10,000	7,250	10,289	(3,039)
Operating services	78,245	69,415	169,804	(100,389)
Supplies	0	0	0	0
Professional services	19,870	29,370	28,499	871
Capital outlay	<u>1,176,185</u>	<u>75,070</u>	<u>81,237</u>	<u>(6,167)</u>
Total Expenditures	<u>1,393,660</u>	<u>290,965</u>	<u>399,201</u>	<u>(108,236)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	0	(10,426)	(17,734)	(7,308)
Fund Balance, Beginning of year	<u>513,966</u>	<u>513,966</u>	<u>513,966</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 513,966</u>	<u>\$ 503,540</u>	<u>\$ 496,232</u>	<u>\$ (7,308)</u>

OTHER SUPPLEMENTARY INFORMATION

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to the financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

- | | |
|---------|--|
| 2008-01 | Actual expenditures of the Natchitoches Parish Port Commission were \$108,236 (37.20%) more than budgeted amounts in 2008. |
|---------|--|

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Natchitoches Parish Port Commission
P.O. Box 2215
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Port Commission, Natchitoches, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2008, and have issued our report thereon dated March 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Parish Port Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Natchitoches Parish Port Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Port Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Parish Port Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards. A description of the finding can be found at finding 2008-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 4.

Page #2

This report is intended solely for the information and use of the Natchitoches Parish Port Commission, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana

March 31, 2009

SCHEDULE 3

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2007-01	2007	Actual revenues of the Natchitoches Parish Port Commission were \$46,714 (5.49%) less than budgeted amounts in 2007.	Partially	The Natchitoches Parish Port Commission's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

SCHEDULE 4

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Expected Date of Completion</u>
2008-01	Actual expenditures of the Natchitoches Parish Port Commission were \$108,236 (37.20%) more than budgeted amounts in 2008.	The Natchitoches Parish Port Commission's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	R.E.L. Breedlove Exec. Director	06/30/2009

HINES, JACKSON & HINES, L.L.C.

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Natchitoches Parish Port Commission
P.O. Box 2215
Natchitoches, Louisiana 71457

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Natchitoches Parish Port Commission, Natchitoches, Louisiana, as of December 31, 2008, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve compliance, record keeping procedures and general operations of the Natchitoches Parish Port Commission and are intended to be constructive in nature:

Existing Conditions:

We noted that actual expenditures of the Natchitoches Parish Port Commission were \$108,236 (37.20%) more than budgeted amounts in 2008.

LSA-R.S. 39:1310 requires the Natchitoches Parish Port Commission to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

Recommended Action:

We suggest the Natchitoches Parish Port Commission's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

Management's Response:

The Natchitoches Parish Port Commission's management will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Natchitoches Parish Port Commission's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Jackson & Hines

Natchitoches, Louisiana
March 31, 2009